



Ministry  
of Justice



# **Mortgage and Landlord Possession Statistics Quarterly, England and Wales**

July to September 2014

Ministry of Justice  
Statistics bulletin

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# Executive Summary

## **Mortgage possession**

The number of mortgage possession claims in County Courts in England and Wales increased from 62,862 in 2002 to a peak of 142,741 in 2008. Since then it has fallen 62% to 53,659 in 2013. The third quarter of 2014 (July to September), recorded 9,731 claims, representing the lowest quarterly figure recorded in over a decade.

The fall in the number of mortgage possession claims since 2008 coincides with lower interest rates, a proactive approach from lenders in managing consumers in financial difficulties and other interventions from the government, such as the Mortgage Rescue Scheme, which was in place from January 2009 to March 2014.

At the same time as the number of claims rose (between 2002 and 2008), the estimated proportion of claims which progressed to an order, warrant or repossession by county court bailiffs also increased. However, the trend in more recent years has been one of decline; while the estimated percentage of claims progressing to an order, warrant or repossession in 2008 was around 73%, 46% and 27% respectively; provisional estimates for Q3 2014 were around 70%, 41% and 20%.

## **Landlord possession**

The number of landlord possession claims in County Courts fell from 194,645 in 2002 to 134,961 in 2010, but has since increased by 26% to 170,451 in 2013. This increase has been in stark contrast to the 29% decline in the number of mortgage possession claims over the same period. The third quarter of 2014 recorded 40,859 claims, 3,700 (8%) less claims issued than the same quarter in 2013. This is the second consecutive quarterly decline when compared to the same period the previous year, since 2010. For landlord repossessions by county court bailiffs, there were 11,100 in July to September 2014. This is the highest quarterly figure in our series, which covers the period from 2000.

The estimated proportion of claims which have progressed to an order, warrant or repossession by county court bailiffs has also been increasing slightly since 2010. Whereas the estimated percentage of claims leading to an order, warrant or repossession in 2010 stood at around 68%, 36% and 21% respectively, the corresponding Q3 2014 figures are 72%, 39% and 21%.

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## Introduction

This quarterly bulletin presents statistics on the numbers of mortgage and landlord possession actions in the county courts of England and Wales up to July to September 2014. The statistics provide summary figures on the volume and progression of cases that follow the court process of possessing a property.

The statistics published here report on court total caseloads that are used to assist the planning of court resources both nationally and locally. They also monitor how many claims will lead to an order, warrant or repossession, which is used to monitor and evaluate policies.

## Court Caseload

A mortgage or landlord possession action starts when a mortgage lender or landlord completes and submits a claim to the courts to repossess a property. The most common reason for repossession is arrears of mortgage or rent. The court process of possessing a property broadly follows four stages:

1. A claim for a mortgage or landlord possession being issued by a mortgage lender or a landlord;
2. An order being made by the County Court. This can either be an outright order that the property is to be recovered by a specific date, or a suspended order that is suspended as long as the defendant complies with conditions specified in the order;
3. If the defendant fails to leave the property by the date given in the order or does not meet the terms of a suspended order, the order may be enforced by a warrant of possession. This authorises the county court bailiff to evict the defendant from the property. The bailiff then arranges a date to execute the eviction; and,
4. repossession by a County Court bailiff. Repossessions may occur without county court bailiffs, through less formal procedures, so the actual number of repossessions is usually greater than the number carried out by county court bailiffs.

This report also includes UK wide total mortgage repossession figures from the Council of Mortgage Lenders (CML). Therefore, these are not directly comparable to the other figures in this report, which cover England and Wales only.

Figures for each of these four processes are presented in the Excel tables and CSV files that accompany this publication.

## Case progression

This bulletin includes estimates of the percentage of claims issued in a specific quarter or year that will progress to an order, warrant or repossession when the full amount of time has been allowed to pass for those claims to progress through the County Court system. These figures

are different from the court caseload figures described above which shows the total number of orders, warrants or repossession by county court bailiffs in that quarter, irrespective of when the claim was issued.

These estimates include upper and lower estimates around them (a confidence interval) reflecting the uncertainty inherent in any estimation of the future. Claims from more recent periods will inherently have had less time for the case to be processed so there is more uncertainty around the final estimate, resulting in a wider confidence interval (Please see A Guide to Court and Administrative Justice Statistics<sup>1</sup> for more information on how this figure is calculated).

We are in the process of reviewing the case progression estimates that are used in this publication and would welcome any feedback, particularly on what they are used for. Please email [statistics.enquiries@justice.gsi.gov.uk](mailto:statistics.enquiries@justice.gsi.gov.uk) by **31 January 2015**.

As supplementary information, we also provide the percentage of claims issued in a quarter or year that have already resulted in an order being made, a warrant being issued, or a repossession being carried out. Caution should be exercised when interpreting these figures for recent years: the information contained in the bulletin is based on the data available at the point when the database was extracted; consequently a proportion of claims made in more recent quarters are still awaiting progression to the next stage of court action. Claims from earlier periods will have had longer for the case to be processed than those from more recent periods so a lower proportion of these earlier claims are likely to be still awaiting an order, warrant or repossession.

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<sup>1</sup> [www.gov.uk/government/publications/guide-to-court-and-administrative-justice-statistics](http://www.gov.uk/government/publications/guide-to-court-and-administrative-justice-statistics)

# Results

## Mortgage possession actions

During the past ten years, the number of mortgage possession actions<sup>2</sup> in court has increased since 2003, peaked in 2008, and has fallen since then (Figure 1 and Table 1). In addition, the total number of properties repossessed<sup>3</sup> has followed a similar trend.

At the same time as the number of claims rose (between 2002 and 2008), the estimated proportion of claims which have progressed to an order, warrant or repossession by county court bailiffs also increased, whereas the trend in more recent years has been one of decline. While the estimated percentage of claims progressing to an order, warrant or repossession in 2008 was around 73%, 46% and 27% respectively, provisional estimates for 2013 show marked declines to around 66%, 37% and 21% (Table 2). This means that the numbers of mortgages being repossessed has fallen in recent years, both because of a falling number of claims, and because of a slight fall in the proportion of those claims that progress to a further stage in court process.

The fall in the number of mortgage possession actions since 2008 coincides with lower interest rates<sup>4</sup>, a proactive approach from lenders in managing consumers in financial difficulties and other interventions from the government, such as the Mortgage Rescue Scheme. Other factors that may contribute to the rapid fall in the number of mortgage possession claims and orders since 2008 include the introduction of the Mortgage Pre-Action Protocol (see the Annex on policy changes for more information). In addition, the downward trend in recent years coincides with a decrease in the number of owner-occupiers<sup>5</sup>.

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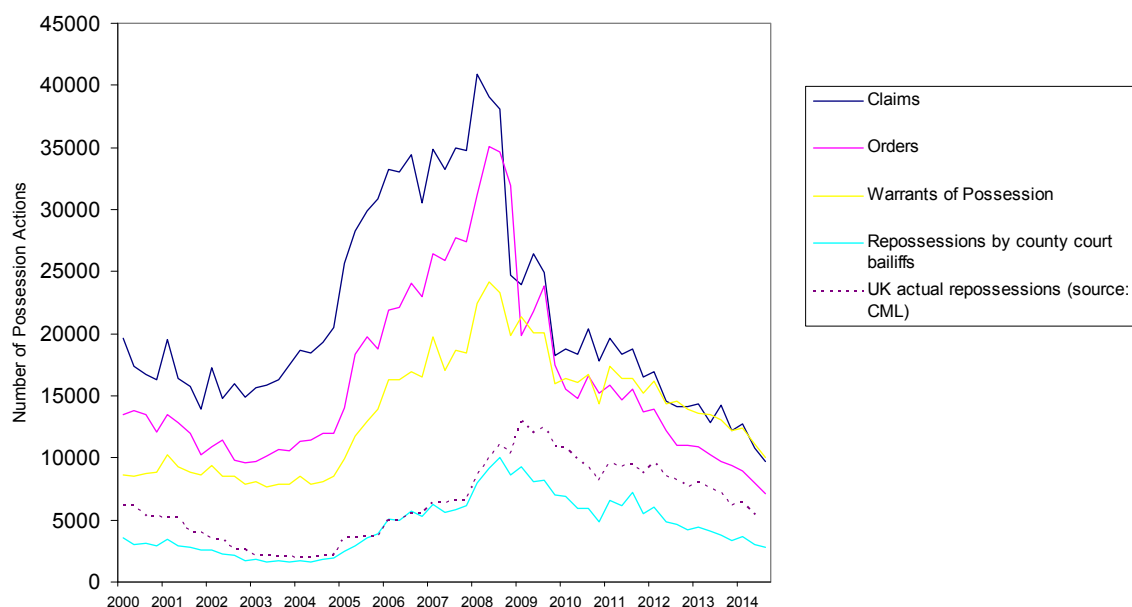
<sup>2</sup> Actions includes claims, orders, warrants of possession, and repossession by county court bailiffs

<sup>3</sup> Including those not repossessed by county court bailiffs

<sup>4</sup> At the end of September 2008, the base rate set by the Bank of England was 5%. By the end of March 2009 it was 0.5%, where it stayed for the rest of the period covered in this bulletin (see [www.bankofengland.co.uk/statistics/Pages/default.aspx](http://www.bankofengland.co.uk/statistics/Pages/default.aspx))

<sup>5</sup> As stated in the English Housing Survey:  
[www.gov.uk/government/organisations/department-for-communities-and-local-government/series/english-housing-survey](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/english-housing-survey)

**Figure 1: Mortgage possession actions in England & Wales, 2000 to 2014 Q3**



**Claims issued:** A possession claim is created when a claimant begins a legal action for an order for possession of property by making a claim that is then issued in a county court. There were 9,731 mortgage possession claims issued in July to September 2014.

**Orders<sup>6</sup>:** The court, following a judicial hearing may grant an order for immediate possession. This entitles the claimant to apply for a warrant to have the defendant evicted, except in the case of suspended orders. There were 7,149 orders in July to September 2014.

Of mortgage possession orders made, around half were suspended. This rate has remained generally stable between 45% and 50% since 2006.

It is estimated that 70% of claims issued in July to September 2014 will lead to an order being made in time although this figure could range between 64% and 77%<sup>7</sup>.

**Warrants of possession<sup>6</sup>:** Having received an order, or if the terms of a suspended order are broken, the claimant can apply for a warrant of possession. There were 10,065 warrants of possession in July to September 2014.

In the last decade, the estimated proportion of claims that lead to warrants has been between 35% and 48%, with figures on a downward trend since 2010.

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<sup>6</sup> Between 2007 and 2009 changes to the method of data collection led to an over-estimate of the total number of orders and warrants. Please see [A Guide to Court and Administrative Justice Statistics on this website for details.](#)

<sup>7</sup> A general description of how these estimates were carried out is contained in the Introduction. Please see [A Guide to Court and Administrative Justice Statistics](#) on this website for a detailed methodological description.

**Repossessions in England and Wales by county court bailiffs:** Once a warrant has been issued, county court bailiffs can repossess the property on behalf of the claimant. There were 2,805 repossessions by county court bailiffs in July to September 2014.

In the last decade, the estimated proportion of claims that lead to repossession by county court bailiffs has been between 14% and 28% with figures peaking in 2010 and declining steadily, to 21% in 2013.

**All repossessions in the UK<sup>8</sup>:** UK-wide there were 5,400 repossessions in total in April to June of 2014. This figure includes repossessions carried out by county court bailiffs and also other types of repossessions.

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<sup>8</sup> Information on actual mortgage repossessions is provided by the Council of Mortgage Lenders (CML) and is presented in this bulletin with a delay of three months. Please also note this figure relates to repossessions made in the United Kingdom whereas all other statistics in this bulletin relate to England and Wales. It should also be noted that these figures are rounded by the CML to the nearest hundred. For the most recent quarterly update on actual mortgage repossessions, [please see the CML website www.cml.org.uk/cml/statistics](http://www.cml.org.uk/cml/statistics).

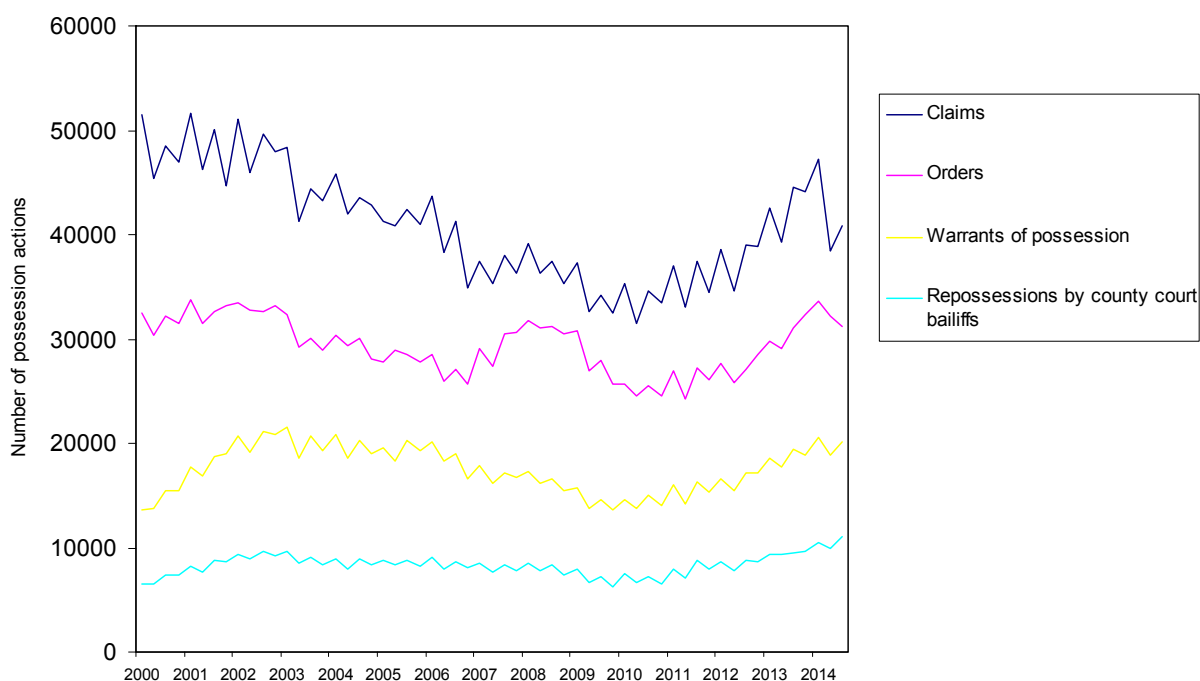


## Landlord possession actions

Annually landlord possession claims decreased between 2002 and 2010 and have increased since then (Figure 2 and Table 3). The upward trend in recent years coincides with an increase in the number of renters<sup>9</sup>.

The estimated proportion of claims which have progressed to an order or warrant has also been increasing slightly since 2010. The estimated proportion of claims which have progressed to repossession by county court bailiffs increased slightly from 2010 to 2013, and has remained stable since then. The estimated percentage of claims leading to an order, warrant or repossession in 2010 stood at around 68%, 36% and 21% respectively. The proportion of claims progressing to each stage in July to September 2014 was 72%, 39% and 21% respectively.

**Figure 2: Number of landlord possession actions in England & Wales, 2000 to 2014 Q3**



**Claims issued:** A possession claim is created when a claimant begins a legal action for an order for possession of property by making a claim that is then issued in a county court. There were 40,859 landlord possession claims issued in July to September 2014, 3,700 (8%) less claims issued than the same quarter in 2013.

This follows the downward trend seen in the previous quarter (April to June 2014 compared to the same period in 2013) – appearing to reverse the upward trend seen since 2010.

<sup>9</sup> Please see English Housing Survey (footnote five)

**Orders:** The court, following a judicial hearing may grant an order for immediate possession. This entitles the claimant to apply for a warrant to have the defendant evicted, except in the case of suspended orders. There were 31,224 landlord possession orders made in July to September 2014.

Of landlord possession orders being made, 39% were suspended, the lowest quarterly proportion since 2009.

It is estimated that 72% of claims issued in July to September 2014 will lead to an order being made in time, although this figure could range between 69% and 76%.

**Warrants of possession:** Having received an order, or if the terms of a suspended order are broken, the claimant can apply for a warrant of possession. There were 20,202 warrants of possession in July to September 2014.

In the last decade, the estimated proportion of claims that will lead to warrants annually has been between 33% and 40%, with figures generally trending upwards since 2008 – it's estimated that 39% of claims made in July to September 2014 will lead to a warrant, and this remains in line with the general upward trend.

**Repossessions by county court bailiffs:** Once a warrant has been issued county court bailiffs can repossess the property on behalf of the claimant. There were 11,100 landlord repossessions by county court bailiffs in July to September 2014. This is the highest quarterly figure in our series, which covers the period from 2000.

In recent years, the estimated proportion of claims that will lead to repossessions by county court bailiffs has been between 19% and 25% - it's estimated that 21% of claims made in July to September 2014 will lead to repossessions by county court bailiffs, and this remains in line with the general trend.

## Further information

Supplementary tables and CSV datasets are available alongside this bulletin, allowing users to analyse the data themselves.

The following tables are available, showing data for county courts in England and Wales:

- Table 1: Mortgage possession workload in the county courts of England and Wales, 1987 - 2014 Q3
- Table 2: Mortgage possession claims that lead to orders, warrants, and repossessions in the county courts of England and Wales, 1999 - 2014 Q3

- Table 3: Landlord possession workload in the county courts of England and Wales, 1990 - 2014 Q3
- Table 4: Landlord possession claims that lead to orders, warrants, and repossessions in the county courts of England and Wales, 1999 - 2014 Q3
- Table 5: Landlord possession claims in the county courts of England and Wales by type of procedure and landlord, 1999 - 2014 Q3

The CSV datasets contain both local authority and court-level breakdowns of claims, orders, warrants and county court bailiff repossessions, for the full amount of time that data are available.

For more information, please refer to the separately downloadable **Guide to local authority and court-level information**:

[www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics](http://www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics)

## Annex: Policy changes

### **New Bailiff Laws**

New laws came into effect on 6 April 2014 to bring an end to bad and aggressive bailiff behaviour, while making sure businesses, local authorities and others can still fairly enforce debts owed to them. These reforms are part of a wider package under changes to the Tribunals, Courts & Enforcement Act 2007.

With roughly 4 million debts collected each year, in future only bailiffs who have been trained and received certification will be allowed to practise.

Bailiffs will be banned from entering homes at night and from using physical force against debtors. The changes will also prevent bailiffs from entering properties where only children are at home and includes further measures to protect vulnerable people. Bailiffs will be prevented from taking vital household essentials from debtor's property, such as a cooker, microwave, refrigerator or washing machines.

A new set of fixed fees for debtors has also been introduced, to end the previous situation where bailiffs were setting their own fees – some times at very high levels – and adding these to the amount people in debt had to pay.

### **Introduction of Mortgage Pre-Action Protocol**

A Mortgage Pre-Action Protocol (MPAP), approved by the Master of the Rolls, for possession claims relating to mortgage or home purchase plan arrears came into effect on 19 November 2008. The protocol applies to mortgage arrears on:

- First charge residential mortgages and home purchase plans regulated by the Financial Service Authority under the Financial Services and Market Act 2000;
- Third charge mortgages for residential property and other secured loans regulated under the Consumer Credit Act 1974 on residential property; and,
- Unregulated residential mortgages.

The Protocol gives clear guidance on what the courts expect lenders and borrowers to have done prior to a claim being issued. The main aims of it were to ensure that the parties act fairly and reasonably with each other in any matters concerning the mortgage arrears, to encourage more pre action contact between lender and borrower and to enable efficient use of the court's time and resources.

The introduction of the MPAP coincided with a fall of around 50% in the daily and weekly numbers of new mortgage repossession claims being issued in the courts as evidenced from administrative records. As orders are typically made (when deemed necessary by a judge) around 7 weeks (using 2011 data) after claims are issued, the downward impact on the number of

mortgage possession orders being made was seen in the first quarter of 2009.

It has not been possible to adequately quantify the long term impact of the MPAP. This reflects the lack of a good comparator (although the MPAP was not introduced in Scotland, the big lenders in Scotland also operate south of the border and so lender behaviour is likely to be the same as in England and Wales), and the existence of other factors such as changing economic conditions, other measures introduced shortly after the MPAP, and lenders desire to minimise their losses.

More details about the protocol can be viewed using the link:

[www.justice.gov.uk/guidance/courts-and-tribunals/courts/procedure-rules/civil/contents/protocols/prot\\_mha.htm](http://www.justice.gov.uk/guidance/courts-and-tribunals/courts/procedure-rules/civil/contents/protocols/prot_mha.htm)

## Contact points for further information

Current and previous editions of this publication are available for download at:

[www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics](http://www.gov.uk/government/collections/mortgage-and-landlord-possession-statistics)

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Queries on the wider policy implications of these statistics should be directed to the Department for Communities and Local Government's press office:

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Queries on statistics shown for 'Properties taken into possession' and other related statistics should be directed to the Council of Mortgage Lenders' press office on 020 7438 8922.

Other enquiries about these statistics should be directed to:

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Other National Statistics publications, and general information about the official statistics system of the UK, are available from [www.statistics.gov.uk](http://www.statistics.gov.uk)

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